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# **Back to basics? The impact of economic and political austerity on European adult education**

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## **Crisis and austerity**

The worldwide financial crisis of 2007–09 was marked by collapse of many key businesses, drastic falls in stock market activity, severe housing problems, rising unemployment and hasty government measures of crisis management. The crisis had many causes, not least questionable practices in the banking and financial trading sector; most directly it was provoked by the bursting of the ‘housing bubble’ in the United States, where the values of securities tied to real estate fell drastically (Stiglitz 2010). National governments and central banks tried to prevent the collapse of large financial institutions by expansive monetary policy and bailing out banks and gradually things were stabilized, but nevertheless the world economy contracted in this period, and in many countries the effects of the crisis are still felt today. One effect was and is a tightening of bank credits, both in regard to business and private consumers, and a tightening of the rules for bank solvency. A parallel effect can be seen at the level of public policy, where economic austerity, keeping government spending down, has become widespread policy wisdom.

In Europe austerity became even more dominant when the financial crisis was followed by the Eurozone crisis (Baldwin & Giavazzi, 2015). The common currency, which most of the EU member states had adopted, was based on conditions specified in the 1992 Maastricht Treaty, including limits on states’ deficit spending and debt levels. During the years leading up to the crisis a number of member states disregarded these criteria and masked their deficits and debts through different techniques. With the financial crisis, the need for more state intervention combined with a tightening of credits led to a situation where some of these states were unable to repay or refinance their government debt. This forced the EU and the economically stronger Eurozone states (in combination with the European central bank) to establish financial stability schemes. The schemes provided refinancing of the national debt of the states, but combined this with tight and detailed control of public activity and spending. These measures provoked political resistance and unrest in the states in question, and they were also debated by economists, but never the less economic austerity became dominant in Europe, and also influenced broader public policy. Policy concerns like social cohesion, quality of work and sustainable growth have been overshadowed by concerns for upholding EU economic collaboration and the Euro, dealing with debt crisis in individual countries and short-term strategies for improving employment.

### **Work quality and learning**

In most present-day European economies knowledge and learning have a crucial role, and the process of managing knowledge flows in learning configurations are of principal strategic importance for firms. The combination of globalization and information technology leads to more and more rapid transformation and change, in which knowledge gets obsolete with an increasing speed (Lundvall & Nielsen 1999). Relating tacit and experience based knowledge to explicit codified knowledge and combining the various types to a growing and rapidly renewing body of knowledge becomes a central and crucial management function on all levels in organizations.

This is related to the issue of the quality of work. Lorenz, Lundvall and others have used the data from the European Survey on Working and Living Conditions to categorize jobs (see for instance Lorenz and Lundvall, 2012). They propose that the frequency of jobs offering employees access to discretionary learning may be regarded as a strong indicator of quality of jobs. Discretionary learning refers to work settings where much responsibility is allocated to the employee who is expected to solve problems on his or her own. Employees operating in these modes are constantly confronted with new problems and as they cope with those they learn and become more competent. Jobs with access to discretionary learning are 'better' jobs in at least two different dimensions. First, they contribute to an innovative economy and second, those who operate in these jobs are significantly more satisfied with their work situation than the others (Lorenz, Lundvall and Valeyre 2005).

The question is how the distribution of different forms of work organisation has evolved over the 2000s, while Europe came to struggle with economic crisis. Data for the EU-15 from the three survey waves of 2000, 2005 and 2010 show an increase in the Discretionary Learning (DL) forms of slightly less than 2 pct. from 2000 to 2005 counterbalanced by a fall in the traditional forms. By 2010, following the 2008 financial crisis and the considerable decline in output and employment which accompanied it, the results show that a fall of 5 pct. in the frequency of the discretionary learning forms had occurred (Lundvall & Rasmussen 2016, p 10).

The development in the individual countries shows a dramatic fall in some of the countries that have been leaders in terms of quality of work. For instance the share of all workers engaged in discretionary learning jobs in Denmark fell from 55.5 pct. in 2000 to 43.3 pct. in 2010, and the share in Finland fell from 39.9 to 29.9 (Lundvall and Rasmussen 2016, pr. 11). This tendency toward a weakening of participation is an overlooked negative consequence of the economic crisis. In the short term it has a negative impact upon the well-being of workers. In the longer run it probably weakens democracy and the dynamic performance of Europe's economies.

In a report for the Directorate General for Research and innovation on adult and continuing education Federighi (2013) reached some of the same conclusions. He linked the upgrading of adult skills to innovation and economic performance and emphasized the need for public intervention to compensate for social polarization:

*“The prevalence of private intervention has created a situation in which participation in adult and continuing education is unevenly distributed, offering particular encouragement to certain groups (such as people with high levels of education or favoured social and cultural origin, and those employed in the knowledge - intensive productive sectors) while less advantaged groups are doubly disadvantaged”* (Federighi 2013, p.7).

In a recent report from Cedefop mapping patterns of participation in job-related adult learning the authors try to trace the impact of the crisis in 18 EU member states (Cedefop 2015 p 209-10). They group countries according to their economic development between 2005 and 2011, as indicated by changes in gross domestic product (GDP) per capita. Changes in the participation in job-related adult learning are measured by a composite indicator including 21 individual elements. The analysis shows no straightforward relation between an economic crisis and the development of job-related adult learning. For instance the three countries with gains of at least 10 pct. in GDP per capita between 2005 and 2011 – Romania, Poland and Slovakia – show completely different patterns in job-related learning, with mainly negative developments in Romania, mixed development or stability in Poland and mainly positive developments in Slovakia. In addition, among the three countries with declines of at least 10 pct. in GDP per capita, Slovenia shows mainly negative developments and Greece and Spain show mainly positive developments in the field of adult learning.

At first glance these results seem in contrast with the clear trend towards less room for discretionary learning in work presented above. However, it should be remembered that the Cedefop analysis focused on work-related learning, thus including also some types of institutionalised vocational training. It seems plausible that economic change can impact on the organisation of work fairly quickly, while changes in institutionalised vocational training will take longer, even if governments desire such changes.

### **Impact on the EU approach to adult education and learning**

The crisis and the trends towards austerity in economic policy as well as in broader public policy has also had impact on policies for adult education and lifelong learning, both at the EU level and in the individual European countries.

The EU has tried since the late 1990's to develop and promote policies for adult education and training integrated in a broader framework of lifelong and life-wide learning. Recently changes can be observed which include playing down the Lisbon strategy for 'knowledge based society' and increasing the focus on adult education for employability. While the mechanisms are complex there is no doubt that these changes can be related to the politics of austerity.

The 2011 EU Council resolution on 'a renewed European agenda for adult learning' opened with this statement: *“The crisis has highlighted the major role which adult learning can play in achieving the Europe 2020 goals, by enabling adults — in particular the low-skilled and older workers — to improve their ability to adapt to changes in the labour market and society. Adult learning provides a means of upskilling or reskilling those affected by unemployment, restructuring and career transitions, as well as*

*makes an important contribution to social inclusion, active citizenship and personal development”* (Council 2011, p 1).

The opening thus clearly linked the mission of adult education to the crisis. But in the actual agenda it was more difficult to identify changes from previous EU policy. The headlines of the agenda were: making lifelong learning and mobility a reality; improving the quality and efficiency of education and training; promoting equity, social cohesion and active citizenship through adult learning; enhancing the creativity and innovation of adults and their learning environments; improving the knowledge base on adult learning and monitoring the adult learning sector (Council 2011, p 5-6). These headlines mainly signal a continuation of previous concepts and objectives in the area of adult education.

However, different signals can be found in a communication issued by the Commission late in 2012, ‘Rethinking Education: Investing in skills for better socio-economic outcomes’ (European Commission 2012). Here the problem of massive youth unemployment is forwarded, and there is a strong demand for education to deliver employability. In the introduction the Commission explicitly comments on the balance between different objectives for education, stating that that:

*“The broad mission of education and training encompasses objectives such as active citizenship, personal development and well-being. While these go hand-in-hand with the need to upgrade skills for employability, against the backdrop of sluggish economic growth and a shrinking workforce due to demographic ageing, the most pressing challenges for Member States are to address the needs of the economy and focus on solutions to tackle fast-rising youth unemployment”* (European Commission 2012, p 2).

The communication does in fact include many of the broader objectives from the Council resolution, but employability is the top priority, and the focus on youth unemployment implicitly reduces the importance accorded to adult learning.

### **Recent adult education policy in Denmark**

For decades, Denmark has been among the top-three countries when it comes to participation in adult education and training. Data from IALS collected in 1998 showed that approximately half of the Danish population aged 25-64 at that time participated in job-related continuing education and training. Including also other forms of adult education and training, the rate was 56 pct., the mean number of hours per adult being 122 hours (*Literacy in the Information Age*, 2000). According to data from the OECD, in 2011/2012, adult Danes were still very likely to participate in adult education and training. Of Danes aged 25-64 years 65 pct. stated that they had within the last 12 months participated in employer-sponsored education (OECD, 2015). Participation in adult education, thus, seems not to have decreased as a result of the economic crisis; rather it is the other way around. Comparing participation in adult education the last four weeks before they were asked among those aged 18-64, the result is the same: In 2006 and 2007, before the economic crisis, 34 pct. of the adult Danes had participated in education and training. Since 2010, the rate has been close to 38 pct.

In spite of the consistent interest for adult education and training in the population, the general direction of policy for the area has changed significantly over the years.

In the 1980's adult education was high on the political agenda in Denmark. In line with UNESCO's emphasis on learning not only for working but also for living, the focus was on general learning and enlightenment (called 'folkeoplysning' in Danish) as well as on education for the labour market. In recent years the political interest in learning for living has weakened. In a study of lifelong learning policy in Denmark in the years 2000-2009 (Larson, 2011), it was concluded that lifelong learning policy in Denmark during that period was only related to the economic challenges, and that policies related to increasing participation in adult education and training was almost exclusively targeted on vocationally oriented adult education and training.

In 2006, the Danish Government published a report with the name "Lifelong up-skilling and education for all at the labour market" based on work in a committee consisting of representatives mainly from the government, employers' associations and employees' association ('the tripartite committee') (*Livslang uddannelse og opkvalificering for alle på arbejdsmarkedet*, 2006). The mission of the committee was to come up with suggestions on how to develop Danish adult education and training in order to promote lifelong learning for all. The first interesting point about the report is the title. Though the explicit aim is lifelong learning for all, in the title, "all" has been reduced to "all at the labour market". Another interesting point is a total lack of interest in 'folkeoplysning':

*"The work in the committee includes both vocationally oriented adult education and training for all in the labour market, including interactions with ordinary programmes, and general adult education" (Livslang uddannelse og opkvalificering for alle på arbejdsmarkedet, 2006, p. 3) (own translation).*

Though the introduction to the report said that both economy and personal development should be targeted by education and training, the main part of the report had a focus on education and training for the labour market.

In her vision for Danish 'folkeoplysning', the then minister of Culture, Marianne Jelved in 2014, also noticed the economy's primacy in the political debate and called for an increased focus on education and for democracy as well:

*"The widespread consensus that Denmark is under pressure from globalization creates a situation where some political decisions are deemed necessary and without alternatives. General discussions about societal values in a broader sense, such as 'bildung' and committing relationships with a view to strengthening democracy, have almost disappeared from the political agenda. Societal values have become values measured in economic terms" (Jelved, 2014, p. 1) (own translation).*

In spite of an old tradition for education not directly related to the labour market, there is, thus, in recent adult education policy discourse in Denmark a clear and almost sole focus on education for the labour market. This was on its way already before the economic crisis, but it might have been further

strengthened by it. In their annual report on strategic focus areas from 2011, the Council for Further and Adult Education (VEU-rådet) highlighted the consequences of the financial crisis, but at the same time stressed that compared to other European countries, Denmark was not hit hard by the crisis.

The changing focus of adult education policy has not led to significant structural reforms. Denmark has three main types of adult education, established over a long period starting in the 19th century: the general learning and enlightenment ('folkeoplysning') of the folk high schools and evening schools; the 'second chance' general education of the adult education centres; and the vocational training of the labour market training centres. To this have later been added part-time study programmes in higher education. This is a versatile structure that can accommodate different educational demands and priorities, and recent governments have not tried to introduce major changes. A smaller change was the introduction of regional centres of adult and continuing education ('VEU-centre') in 2010. These are not new institutions but organisational structures intended to increase collaboration between the different adult education institutions and thus provide a more coherent provision (Danmarks Evalueringsinstitut 2012).

Besides of a clear focus on adult education and training that can be directly used at the labour market, recent Danish adult education policy is also characterised with not being very visible. When the first round of PIAAC was presented in 2013, a 'PIAAC-shock' would not have been unlikely. A study of the reactions in the media to the launch (Cort & Larson, 2015), however, showed only very limited interest in the results, and the debates quickly came to be about how to improve basic schooling to make the Danes score higher when they grow up. The debate thereby – though it might not have been the intension - reflected a point in liberal economic theory according to which investments in primary education are more profitable than later investments as it will provide economy returns over a longer period of time. Further, according to Maazouz (2013), an investment in primary education leads to a higher rate of return than an investment in secondary and tertiary education. Preliminary results of a follow-up on the study (Cort & Larson, 2016) indicate that PIAAC has not been very influential 'behind the curtain' either, though there is among the employees' associations an interest in adult education and training targeted their members.

The study of Danish lifelong learning policy mentioned above also points at a decrease in public investment in adult education and training during the years 2000-2009: *"Though some of the bills introduced in the period studied involved an increase in public spending on adult education and training, there is a tendency to increases in fees and cuts in public spending that indicate a reallocation of the costs from public to private – either the participants themselves or their employers"* (Larson, 2011).

Adult education and training has not completely disappeared from the Danish political agenda. But the focus is on the vocational and work-related programmes. In the annual report from the Council for Further and Adult Education in 2014, the Confederation of Danish Employers (DA) and the Danish Confederation of Trade Unions (LO) together point at a need for increased focus on adult education and training in the years to come – that is: education and training close to the daily work in the companies (VEU-Rådet, 2014).

This trend can also be seen in a more recent attempt to boost adult education and training. In the spring of 2014, the then government (a coalition of Social Democrats and Social Liberals) worked on a comprehensive 'growth plan' for the Danish economy and as part of this held negotiations with the social partners. As a result, the growth plan came to include a grant of one billion DKK (135 million Euros) to be used to increase adult education and training activity over the following six years. It was estimated that 180.000 more adults would participate in courses as result of the plan (Regeringen, Landsorganisationen i Danmark & Dansk Arbejdsgiverforening (2014). In the guidelines for use of the grant some trends could be identified: One was that the teaching of general skills for adults was to be linked more closely to the teaching of vocational skills, and that the labour market training centres were to take care of this. Another was that schemes and economic support for up-skilling to higher level of education should be improved, so that for instance more adults could be educated to skilled workers. Also, a number of fees paid by users of vocational training courses (either individuals or companies) were to be reduced in order to increase activity. This must be seen on the background of previous rounds of cutting public expenses, where government had increased the participation fees for all types of adult education. However, the growth plan's reduction of fees only applied to the vocational training courses, not to general adult education.

As a follow-up on the agreement, the Danish Minister for Higher education and Research in November 2014 introduced a bill on vocationally oriented adult education and training. One of the aims of the bill was to make it easier for skilled workers to enter further education at higher educational levels, for instance by individual assessment of prior learning. Another bill passed in November 2014 introduced by the Minister of Employment mentioned activities intended to reduce unemployment and allocated approximately 152 million DKK (20 million Euro) to unemployed unskilled workers (or skilled with an old education) aged 30 years or more, to enter VET already in the beginning of their unemployment (Regeringen, 2014).

In line with the priorities of the growth plan finances were allocated in the 2015 national budget to lower tuition fees at 'selected educations' at academy level (vocationally orienteered education programmes at ISCED-level 5). The lowering of fees for other sorts of education was not considered. In relation to education at university level, the minister was authorised to setting the rules in relation to tuition fees, but there were no money allocated in the budget (Regeringen, 2015).

In June 2015, Denmark got a new government, this time a liberal minority government. In February 2016, the new Minister for Higher Education and Research introduced a bill that changed to rules for adult education grant. The bill involved a decrease in support for adults wishing to take a higher education, and to a higher degree targeting the support to people in need to qualify to higher education. The act came into force July 1<sup>st</sup> 2016.

The initiatives continue to reinforce the trend towards and adult education policy focusing on and prioritising funding for vocationally oriented adult education and training.



## Conclusion

We have tried in this paper to trace impacts of the financial crisis and the Eurozone crisis on of adult education and learning policy. While 'policy' designates a specific level of social reality, a level where public authorities and different stakeholders intervene to shape education and learning according to certain objectives, it is often difficult to separate the consequences of policy from the consequences of other forces like the priorities and choices of individuals, large-scale economic processes or basic social structures. Thus an assessment of the impact of the crisis on adult education and learning policy should also take account of the conditions for learning in work organization as well as the strategies and practices of adult education institutions and learners in handling new social conditions. In our paper we have to some extent discussed the former but not been able to include the strategies of institutions and learners. The main trends we have found are as follows:

Following the financial crisis significant changes in the organization of work in European companies seem to have happened. The frequency of jobs with access to discretionary learning has been reduced, especially in countries that had earlier been leaders in this type of work organisation. This undermines the contribution of adult learning to economic development and also the possibility for adult education and learning to combine work-related and personal development.

At the EU level of policy the crisis has led to changes in the policy discourse, with increasing focus on short-term employability in contrast to the broader visions of knowledge-based growth formulated in the Lisbon strategy. This change has however not had a strong impact on the more specific policy recommendations given by EU bodies. There may have been changes in the funding given by EU programmes, but this we have not looked at.

Denmark has a strong tradition and a versatile system of adult education, but currently this field is given little attention by political decision-makers and in public debate. While Danish students' scores in the PISA surveys are hotly debated and provoke policy measures, the results from the PIAAC survey were given little attention.

Nevertheless changes in Danish adult education policy are taking place. No major structural reforms have been initiated, but there is a growing focus on vocational training and employability. This was evident already before the financial crisis, but the trend seems to have become stronger. It is visible not only in the policy discourse but also in the systems for public funding of adult education, where vocational training and up-skilling are given priority while general and non-formal adult education become more dependent on tuition fees.

These are worrying changes. It is of course a key objective for adult education to develop work-relevant skills; but such skills cannot be separated from broader life and citizen skills. The Danish system and tradition of adult education and learning has contributed to wealth, culture and democracy not least because it has offered generous and versatile possibilities for adult to learn and educate themselves.

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